

GOPB 1% COMPENSATION FUNDING GUIDELINES

COLA / Merit / Longevity Guidelines

When preparing one percent compensation reports, please adhere to the following guidelines for COLA, Merit and Longevity eligible personnel.

COLA eligible personnel include all full-time and part-time permanent employees. Yes, those in longevity are COLA eligible. Excluded are:

- Board members
- Temporary employees (both full and part time)
- Employees and officials whose salaries are set in statute
- Contractual employees.

Contractual employees may, by contractual terms, receive cost-of-living adjustments but are not COLA eligible for legislative appropriation as part of the state compensation package.

Merit eligible personnel are full-time and part-time permanent employees with the following exceptions:

- Board members
- Contractual employees
- Temporary employees (both full and part time)
- Employees or officials whose salaries are set in statute
- Probationary employees,
- Employees who are at the top of their step range
- Employees who are in longevity.

An employee does not need to be a career service (schedule B) employee to be merit eligible. A merit step is 2.75 percent.

Longevity eligible personnel are full-time and part-time permanent employees on schedules A or B who have been employed by the state for at least eight years and have been at the top of the pay range for at least one year. Employees in longevity are not merit eligible but are COLA eligible. Employees enter into the first longevity step as soon as eligibility criteria are attained. After Step L1 has been attained, an additional longevity step is awarded every 3 years. Beginning July 1, 1998 longevity steps are also 2.75 percent. Budget Prep does not calculate the cost of longevity step increases. The analyst must determine which employees in longevity status are eligible for a step increase in any given fiscal year, make the cost calculation and include it in the compensation package recommendation.